



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO STREET, SAN MIGUEL, MANILA



CIRCULAR LETTER

No. 2022- 6
April 6, 2022

- To : All Heads of Departments, Agencies, Bureaus and Offices of the National Government, including State Universities and Colleges (SUCs), Constitutional Offices, Government-Owned or Controlled Corporations (GOCCs) and Government Financial Institutions (GFIs); Local Government Units (LGUs); and all Others Concerned
- Subject : **PRESCRIBED HEALTH INSURANCE PREMIUM (HIP) CONTRIBUTIONS OF GOVERNMENT EMPLOYEES TO THE PHILIPPINE HEALTH INSURANCE CORPORATION (PHIC) CONSISTENT WITH REPUBLIC ACT (R.A.) NO. 11223 (AN ACT INSTITUTIONALIZING UNIVERSAL HEALTH CARE FOR ALL FILIPINOS, PRESCRIBING REFORMS IN THE HEALTH CARE SYSTEM, AND APPROPRIATING FUNDS THEREFOR) FOR FISCAL YEAR 2022**

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- 1.0 Pursuant to R.A. No. 11223, or the Universal Health Care Act, under Section 10 (Premium Contributions), Chapter III (National Health Insurance Program) thereof, expanded benefits are being made available to more beneficiaries. To support the provision of such benefits, the adjustment of premium rates, monthly income floors and ceilings, for both the employer-share and the employee-share in HIP contributions, are prescribed under the aforesaid law.
- 2.0 Relative thereto, the following are reiterated:
- 2.1 As a matter of government policy, **government premium contributions to be remitted to the PHIC shall be subject to advice or notice by the DBM** to ensure that such contributions are duly covered by corresponding appropriations.
- 2.2 The funding requirements for the employer (government) share in the HIP contributions of government employees of national government agencies concerned, consistent with the prescribed income floor and ceiling for FY 2022, are provided through the following:

- 2.2.1 **Agency-Specific Budgets** – covers the FY 2022 requirements corresponding to the **UHCA-scheduled rate (i.e., 3.5%)** of government contributions to PHIC for **FY 2021**, which are already **included in the comprehensive release of allotments through the GAA as the Allotment Order**; and
- 2.2.2 **Miscellaneous Personnel Benefits Fund (MPBF)** – the special purpose fund which provides the required amounts to adjust the employer share in the HIP contributions effective January 1 of FY 2022, based on the **UHCA-scheduled rate (i.e., 4.0%) for FY 2022**, as indicated in this Circular.
- 2.3 In the case of GOCCs and LGUs, the following shall be observed as applicable:
- 2.3.1 GOCCs shall charge, against their respective Corporate Operating Budgets under the Personnel Services expense, the amounts required for the adjustment in the employer (government) share in the HIP contributions of government employees. GOCCs are prohibited to source the payment for the purpose from loans and subsidy from the NG for the GOCC's operations, except for subsidy income or subsidy given by the DBM for the adjustment of HIP contributions.
- 2.3.2 LGUs are enjoined to:
- 2.3.2.1 Implement the adjusted employer (government) share in the HIP contributions of government employees to the PHIC provided in this Circular;
- 2.3.2.2 Adopt the appropriate measures in their respective FY 2022 annual budgets and onwards, subject to the provisions of RA No. 7160 or the Local Government Code of 1991, and other existing pertinent budgeting rules and regulations.
- 3.0 For purposes of computing the **premium contribution in FY 2022, to be equally shared between the employee and the employer** (Government, the following shall be observed according to Monthly Basic Salary (MBS)):
- 3.1 For those with **MBS not exceeding P10,000 (income floor)**, the monthly premium is fixed at **P400.00**;
- 3.2 For those with **MBS exceeding P10,000 (income floor) but less than P80,000 (income ceiling)**, the prescribed rate of 4.00% is applied, **as computed straight based on the Monthly Basic Salary (MBS)**; and

3.3 For those with **MBS of P80,000 (income ceiling) and above**, the monthly premium is fixed at **P3,200**.

The monthly premium shall be rounded off to the nearest hundredths. In case of an excess centavo when dividing the computed monthly premium between the personal and the employer shares, such excess shall be deducted from the employee's share to derive the monthly premium due.

4.0 For FY 2022, the UHCA-scheduled adjustment in employer (government) share in HIP contribution applicable for government employees shall be funded as follows:

4.1 For regular employees, the funding requirements for the incremental costs of the employer (government) share in HIP shall be covered by agency request to be submitted to the DBM, for issuance of Special Allotment Release Order (SARO) and Notice of Cash Allocation (NCA), **chargeable against the MPBF**, as determined by the DBM.

4.2 For casual and contractual employees, the corresponding requirements shall be **charged against the agency lumpsum appropriations included in the FY 2022 agency budgets**.

5.0 This Circular shall only apply for the period and purpose specified herein.

6.0 All issuances inconsistent with this Circular are hereby repealed or modified accordingly.

7.0 Cases not covered in this Circular shall be referred to the DBM for resolution.

8.0 This Circular shall take effect immediately.


TINA ROSE MARIE L. CANDIA
Officer-in-Charge